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Via Electronic Comment Filing System

April 19, 2016

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

RE: WCB Docket No. 16-\_\_\_\_\_; In the Matter of an Application for Authority Pursuant to Section 214 of the Communications Act of 1934, as amended, and Section 63.04 of the Commission's Rules to Complete the Sale and Transfer of Assets and Customers of Transferor to Transferee

Dear Secretary Dortch:

QualCom, LLC, fka Quantum Communications, LLC ("Quantum"), and LightSpeed Networks, Inc. dba LS Networks ("LSN"), pursuant to Sections 63.03 and 63.04 of the Commission's rules, 47 C.F.R. §§ 63.03 and 63.04, hereby submit the attached *Joint Application for Sale and Transfer of Assets and Customers* ("Joint Application"), in the above referenced matter.

By their *Joint Application*, Quantum and LSN request approval, to the extent required, for the sale and transfer of domestic assets and customers from Quantum to LSN. Application filing fee payment has been made electronically via the Commission's Fee Filer portal, Remittance ID 2819577.

Thank you for your attention to this matter. Questions may be directed to the undersigned.

Sincerely,

MILLER ISAR, INC.

/s/ Andrew O. Isar

Andrew O. Isar

Regulatory Consultants to  
LightSpeed Networks, Inc. dba LS Networks and  
for QualCom, LLC

Attachment

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of

**QualCom, LLC, fka Quantum  
Communications, LLC, Transferor**

and

**LightSpeed Networks, Inc. dba LS  
Networks, Transferee**

WCB Docket No. 16-\_\_\_\_\_

Application for Authority Pursuant to  
Section 214 of the Communications Act  
of 1934, as amended, and Section 63.04  
of the Commission's Rules to Complete  
the Sale and Transfer of Assets and  
Customers of Transferor to Transferee

**JOINT APPLICATION FOR  
SALE AND TRANSFER OF ASSETS AND CUSTOMERS**

Rawleigh White  
General Manager  
QualCom, LLC  
258 SE Salmon Drive  
Redmond, OR 97756  
Telephone: 541.923.5599

and

Michael Weidman  
President and Chief Executive Officer  
LightSpeed Networks, Inc. dba LS Networks  
921 SW Washington St., Suite 370  
Portland, OR 97205  
Telephone: 503.294.5300

April 18, 2016

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of

**QualCom, LLC, fka Quantum  
Communications, LLC, Transferor**

and

**LightSpeed Networks, Inc. dba LS Networks,  
Transferee**

WCB Docket No. 16-\_\_\_\_\_

Application for Authority Pursuant to Section  
214 of the Communications Act of 1934, as  
amended, and Section 63.04 of the  
Commission's Rules to Complete the Sale and  
Transfer of Assets and Customers of Transferor  
to Transferee

**JOINT APPLICATION FOR  
SALE AND TRANSFER OF ASSETS AND CUSTOMERS**

QualCom, LLC, fka Quantum Communications, LLC ("Quantum" or "Transferor") and LightSpeed Networks, Inc. dba LS Networks ("LSN" or "Transferee") and, together with Quantum, ("Applicants"), pursuant to Section 214 of the Communications Act, as amended,<sup>1</sup> and Sections 63.03 and 63.04 of the "Commission's rules,"<sup>2</sup> hereby request approval, to the extent required,<sup>3</sup> for the sale and transfer of assets and customers of Transferor ("Transfer"), authorizing Transferee to acquire substantially all of the assets and business of Transferor. The

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<sup>1</sup> 47 U.S.C. §214.

<sup>2</sup> 47 C.F.R. §§63.03 and 63.04.

<sup>3</sup> Quantum engages in the provision of specialized point-to-point data services and Internet Protocol-enabled services, including interconnected Voice over Internet protocol services to a limited number of customers. Quantum provides its specialized point-to-point data services under customer specific service arrangements and does not otherwise hold itself out as a common carrier of telecommunications services.

domestic Section 214 authorization currently held by Transferor will not be transferred or assigned to Transferee following approval and consummation of the proposed Transfer. Transferor currently maintains domestic 214 authorization.

This Transfer entails the acquisition of substantially all of the assets, including customers and business of Transferor by a telecommunications service provider. Following the approval of the proposed Transfer, if deemed required, Transferee will operate the assets of Transferor and will continue to provide domestic telecommunications services to end user subscribers, wholesale telecommunications customers and interconnecting carriers and Internet Protocol-enabled services, including interconnected Voice over Internet Protocol (“iVoIP”), to end users. The Quantum Communications name, Transferor’s employees, service rates, terms, and conditions will be maintained by Transferee. The Transfer will provide additional capitalization enabling Transferee to expand its operations and generally increase competitiveness. The Transaction will be entirely transparent to Transferor’s subscribers and customers.

Transferor does not provide presubscribed telecommunications services. Nevertheless, notice has been provided to Transferor’s subscribers and customer generally consistent with the requirements set forth in Section 64.1120(e) of the Commission’s rules, 47 C.F.R. § 64.1120(e). Upon completion of the Transfer, Transferor will no longer provide regulated telecommunications services or IP-enabled services. As a result, Transferor requests that they be allowed to withdraw from the telecommunications market.

Applicants respectfully submit that this Joint Application is eligible for presumptive streamlined processing under Section 63.03(b)(2)(i)<sup>4</sup> of the Commission's rules because, immediately following the Transfer: (a) the Applicants will hold less than a ten percent (10%) share of the interstate, interexchange market, (b) the Applicants and their affiliates will provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and (c) neither the Applicants nor their affiliates are dominant with respect to any service.

In support of this Joint Application, Applicants state as follows:

## **I. DESCRIPTION OF THE APPLICANTS**

### **A. LightSpeed Networks, Inc. dba LS Networks, Transferee**

LSN is a corporation organized under the laws of the State of Oregon in 2004. LSN provides a host of telecommunications and data services to customers in Oregon, Washington, and California.<sup>5</sup> The Company provides high-caliber equipment and network connectivity. The LSN network is designed to deliver data and voice services to any size institution, organization or campus in the Pacific Northwest. The Company maintains Oregon Public Utility Commission authority to provide local exchange and intrastate interexchange services throughout Oregon,<sup>6</sup> and is authorized to provide interstate service by virtue of general domestic Section 214 authority pursuant to Section 63.01.<sup>7</sup> LSN does not offer international service and does not maintain international Section 214 service authority.

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<sup>4</sup> 47 C.F.R. § 63.03(b)(2)(i).

<sup>5</sup> See <https://www.lsnetworks.net/>

<sup>6</sup> CP-1283 (2005)

<sup>7</sup> 47 C.F.R. §63.01.

**B. QualCom, LLC, fka Quantum Communications, LLC, Transferor**

Quantum is a privately-held limited liability corporation organized under the laws of the State of Oregon in 2001.<sup>8</sup> Quantum serves as a competitive provider of dedicated point-to-point local exchange and interexchange services, as well as Internet Protocol-based services, including iVoIP services and Internet access, headquartered in Redmond, Oregon. The Company's focus is to bring high-speed, reliable and affordable data communications services to customers, including fiber optic solutions. The Company maintains Oregon Public Utility Commission authority to provide local exchange and intrastate interexchange services throughout Oregon,<sup>9</sup> and is authorized to provide interstate service by virtue of general domestic Section 214 authority pursuant to Section 63.01.<sup>10</sup> Quantum does not offer international service and does not maintain international Section 214 service authority. As part of the Transfer, Transferee is acquiring the Quantum Communications name, and to effect such transfer, Quantum Communications, LLC changed its name to QualCom, LLC to allow Transferee to use the Quantum Communications name under Oregon law.

**II. INFORMATION REQUIRED BY SECTION 63.04.**

**(1) The name, address and telephone number of each applicant - 47 C.F.R. § 63.04(a)(1)**

Transferor:

QualCom, LLC, fka Quantum Communications      FRN: 0014022081  
Rawleigh White  
General Manager  
258 SE Salmon Drive  
Redmond, OR 97756  
Telephone: 541.923.5599

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<sup>8</sup> See <http://www.quantum-networks.net/>

<sup>9</sup> CP-924 (2001)

<sup>10</sup> 47 C.F.R. §63.01.

Transferee:

LightSpeed Networks, Inc. dba LS Networks                      FRN: 0014973705  
Michael Weidman  
President and Chief Executive Officer  
LS Networks  
921 SW Washington St., Suite 370  
Portland, OR 97205  
Telephone:    503.294.5300

**(2)    The government, state, or territory under the laws of which each corporate or partnership applicant is organized - 47 C.F.R. § 63.04(a)(2)**

LSN is a corporation organized under the laws of the State of Oregon. Quantum is a privately-held limited liability corporation organized under the laws of the State of Oregon.

**(3)    The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the Application is to be addressed - 47 C.F.R. § 63.04(a)(3)**

Correspondence regarding this Application should be addressed to:

**For LightSpeed Networks, Inc. dba LS Networks:**

Company Contact:

Michael Weidman  
President and Chief Executive Officer  
921 SW Washington St., Suite 370  
Portland, OR 97205  
Telephone:    503.294.5300  
Email:            mweidman@lsnetworks.net

With a copy to:

Andrew O. Isar  
Regulatory Consultant  
Miller Isar, Inc.  
4304 92<sup>nd</sup> Avenue NW  
Gig Harbor, WA 98335  
Telephone:    253.851.6700  
Email:            aisar@millerisar.com

**For QualCom, LLC, fka Quantum Communications, LLC:**

Company Contact:

Rawleigh White  
General Manager  
258 SE Salmon Drive  
Redmond, OR 97756  
Telephone: 541923.5599

- (4) **The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent) - 47 C.F.R. § 63.04(a)(4)**

**Transferor Ownership (Quantum)**

The following entity holds a direct equity ownership interest in Transferor:

|   |                      |              |
|---|----------------------|--------------|
| CEC-Resources, Inc.<br>2098 N Highway 97<br>Redmond, OR 97756 | Equity Interest:100% | U.S. Company |
|---|----------------------|--------------|

CEC-Resources, Inc. is a corporation, which is wholly owned by Central Electric Cooperative, a cooperative corporation organized under the laws of the state of Oregon. No owner of Central Electric Cooperative maintains a direct or indirect equity interest exceeding ten percent.

**Transferee Ownership (LSN)**

The following entities holds a direct equity ownership interest in Transferee

|   |                     |              |
|---|---------------------|--------------|
| CEC-Resources, Inc.<br>2098 N Highway 97<br>Redmond, OR 97756 | Equity Interest:48% | U.S. Company |
|---|---------------------|--------------|

|   |                     |              |
|---|---------------------|--------------|
| Rural Services Company<br>750 W Elm Avenue<br>Hermiston, OR 97838 | Equity Interest:23% | U.S. Company |
|---|---------------------|--------------|

|  |                     |              |
|--|---------------------|--------------|
| Columbia Broadband<br>715 Maple Street<br>Vernonia, OR 97064 | Equity Interest:12% | U.S. Company |
|--|---------------------|--------------|



As noted above, Central Electric Cooperative is the sole shareholder of CEC-Resources, Inc., making Central Electric Cooperative an indirect equity owner of Transferee. Central Electric Cooperative, Rural Services Company, and Columbia Broadband are cooperatives. No owner of these entities maintains a direct or indirect equity interest in each respective company that exceeds ten percent.

**(5) Certification pursuant to §§1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. See 21 U.S.C. 853 - 47 C.F.R. § 63.04(a)(5).**

By their signatures below, Applicants certify that no party to the instant Application is subject to a denial of Federal benefits that includes Commission benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988. Applicants certify that this certification is true, complete, and correct to the best of their knowledge and belief, and are made in good faith.

**(6) A description of the transaction - 47 C.F.R. § 63.04(a)(6)**

Quantum and LSN have entered into an Asset Purchase Agreement whereby LSN will acquire substantially all of the assets and business of Quantum. Under the terms of the acquisition, LSN will acquire the entirety of Quantum's interest in its operational assets, customer and supplier contracts; and, consistent with the Asset Purchase Agreement LSN will employ all of the Quantum employees wishing to continue such employment with LSN. LSN will operate the assets and business of Quantum and will continue to provide domestic telecommunications services to the customers of Quantum with no changes in rates, terms or conditions as a result of the Transfer. The Transfer will be entirely transparent to all customers of Quantum. Although Quantum does not maintain presubscribed telecommunications subscribers, all customers have been notified consistent with the notice requirements set forth in 47 C.F.R. § 64.1120(e).

**(7) A description of the geographic areas in which the Transferors and Transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area - 47 C.F.R. § 63.04(a)(7)**

LSN provides local exchange and domestic interexchange telecommunications services to residential, commercial and governmental institution subscribers, wholesale telecommunications network facilities and services to carriers, and switched exchange access services to interconnecting carriers, among other services in Oregon and Washington. LSN does not have any affiliates that provide domestic telecommunications services.

LSN provides local exchange and domestic interexchange telecommunications services to residential, commercial and governmental institution subscribers, among other services, exclusively in Central Oregon. Quantum has no other affiliates that provide domestic telecommunications services.

The Transaction pertains exclusively to the State of Oregon within Quantum's service territory.

**(8) A statement as to how the Application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment - 47 C.F.R. § 63.04(a)(8)**

This application presumptively qualifies for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transaction: (1) Applicants and their affiliates (as defined in 47 U.S.C. § 153(1) – “Affiliates”) combined will hold less than a ten percent share of the interstate, interexchange market; (2) Applicant's services are provided only in geographic areas served by a dominant local exchange carrier that is not a party to this transaction; and (3) none of the Applicants or their Affiliates is dominant with respect to any U.S. domestic service. 47 C.F.R. § 63.03(b)(2)(i).

This Joint Application for Transfer authority, as may be required, also presumptively qualifies for streamlined processing pursuant to 47 C.F.R. § 63.03(b)(1)(iii). The proposed transaction is an asset sale that involves the transfer of the assets of Quantum to LSN. The Commission has determined that transactions such as this that involve an asset acquisition, and not an acquisition of corporate control, do not raise the potential of competitive harm.<sup>11</sup>

**(9) Identification of all other Commission applications related to the same transaction - 47 C.F.R. § 63.04(a)(9)**

Applicants are not filing any additional applications for authority with the Commission in connection with this transaction. Neither Transferor nor Transferee provide international services and do not maintain international operating authority pursuant to Section 214, accordingly.

**(10) A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure - 47 C.F.R. § 63.04(a)(10)**

Applicants are not facing imminent business failure.

**(11) Identification of any separately filed waiver requests being sought in conjunction with the transaction - 47 C.F.R. § 63.04(a)(11)**

There are no separately filed waiver requests being sought in conjunction with this transaction.

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<sup>11</sup> See *Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, Report and Order, 17 FCC Rcd 5517 ¶ 33 (2002).

**(12) A statement showing how grant of the Application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets - 47 C.F.R. § 63.04(a)(12)**

The sale of Quantum's assets to LSN serves the public interest and will cause no offsetting public interest harms. Therefore, the Commission should expeditiously approve the proposed assignment, to the extent required. The transaction will provide additional capitalization needed to expand services and operations, and enhance LSN's ability to provide competitive telecommunications and non-telecommunications services to the public. Further, broad management experience will enable LSN to explore new innovative service opportunities and provide added value to customers.

The sale does not raise any competitive concerns. The only impact of the sale is that Quantum's current business operations in Central Oregon will be continued by a company that can obtain access to increased resources that will result in a stronger, more capable and robust company, capable of pursuing additional opportunities and providing services to customers.

The transaction will be entirely transparent to subscribers and customers. The transaction will not result in any immediate change in service rates, terms, and conditions, and will not result in the discontinuance, reduction, loss, or impairment of service to subscribers or customers.

For the foregoing reasons, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of the instant Application, to the extent so required. Applicants respectfully request streamlined and expedited treatment to permit Applicants to consummate the proposed transaction as soon as possible.

[Signatures on following page.]

Respectfully submitted,



Michael Weidman  
President and Chief Executive Officer  
LS Networks  
921 SW Washington St., Suite 370  
Portland, OR 97205

and



Rawleigh White  
Manager  
QualCom, LLC **fka Quantum  
Communications, LLC**  
258 SE Salmon Drive  
Redmond, OR 97756

Dated: April 18, 2016

### CERTIFICATION

I, Rawleigh White, Manager of QualCom, LLC, fka Quantum Communications, LLC, the Transferor in the foregoing Joint Application, hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of QualCom, LLC.. I further certify that the information in the foregoing Joint Application as it pertains to the Transferor is true and accurate to the best of my knowledge, and that the Transferor is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §853(a), as amended.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 13 day of April, 2016.

  
\_\_\_\_\_  
Rawleigh White  
Manager

### CERTIFICATION

I, Michael Weidman, President and Chief Executive Officer of LightSpeed Networks, Inc. dba LS Networks, hereby certify under penalty of perjury that I am authorized to make this Certification on behalf of LightSpeed Networks, Inc. dba LS Networks, the Transferee in the foregoing Joint Application. I further certify that the information in the foregoing Joint Application as it pertains to the Transferee is true and accurate to the best of my knowledge, and that the Transferee is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. §853(a), as amended.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 13<sup>th</sup> day of April, 2016.

A handwritten signature in blue ink, appearing to read 'Michael Weidman', is written over a horizontal line.

Michael Weidman  
President and Chief Executive Officer